



80 South Jefferson Road  
Whippany, NJ 07981

Regina McNeil  
Senior Attorney

June 9, 2000

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12th Street, N.W.  
TW-A325  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Voice: 973-884-8168  
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Re: **CC Docket No. 98-137** - 1998 Biennial Regulatory Review—  
Review of Depreciation Requirements  
**CC Docket No. 99-117** - Ameritech Corporation Telephone Operating  
Companies Continuing Property Records, *et al*  
**AAD File No. 98-26** - GTE Telephone Operating Companies Release  
of Information Obtained During Government Audit  
**Notice of Ex Parte 6/8/2000**

Dear Ms. Salas:

On June 8, 2000, James W. Frame, Vice President- Operations of the National Exchange Carrier Association, Inc. (NECA) responded to questions from Ken Moran of the Commission's Accounting Safeguards Division (ASD) regarding the effects of freezing depreciation rates, as proposed by a number of larger carriers in the context of the above proceedings.

At the request of Mr. Moran, Mr. Frame provided data that describe the results of NECA analyses of average growth in various components of universal service fund (USF). The basis of the analyses is information filed with the FCC by NECA in the October 1, 1999 USF 1999 Data Submission of the 1998 Study Results (USF Submission). Mr. Frame supplied the following statistics:

Four year average change (based on the USF Submission, extracting Subset 1 Companies, GTE and United for the period 1994 to 1998):

LOOPS: 4.26%  
TPIS: 4.49%

NET PLANT: 0.97%  
DPR RSV: 9.80%

DEP EXP: 4.81%  
OPER TAXES: 9.04%

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Percent of USF Loop revenue requirement (based on 1998 price cap company data included in the USF Submission)

Expenses = 66.3%    Taxes = 15.8%    Return = 17.9%

Additionally, Mr. Frame supplied the attached information, which was used to calculate the above.

In accordance with Section 1.1206(a)(1) of the Commission's rules, two copies of this Notice are being submitted to your office for each of the above-referenced proceedings. Additionally, a copy has been provided to the International Transcription Service (ITS).

Acknowledgment of receipt of this notice of *ex parte* is requested. A duplicate letter is provided for this purpose.

Sincerely,

*Regina McNeil (REF)*

Encl.

cc: Ken Moran, ASD  
Debbie Byrd, ASD  
ITS

SAR_ID	SAR_ABBR	CC NAME	USFLOOPS	TPIS	DEPR	NET PLANT	DEP EXP	OPER TAX
305150	OHIO BELL TEL CO	Ameritech	3.41%	3.88%	8.66%	0.56%	3.64%	6.40%
315090	MICHIGAN BELL TEL CO	Ameritech	3.66%	3.39%	11.47%	-2.07%	5.23%	26.97%
325080	INDIANA BELL TEL CO	Ameritech	4.21%	2.82%	7.88%	-2.89%	0.19%	49.72%
335220	WISCONSIN BELL	Ameritech	2.74%	2.21%	5.43%	-0.54%	2.00%	41.29%
345070	ILLINOIS BELL TEL CO	Ameritech	4.39%	5.44%	12.05%	1.09%	2.11%	32.53%
165120	NEW JERSEY BELL	Bell Atlantic	4.65%	5.37%	10.06%	2.44%	1.57%	15.13%
175000	BELL OF PENNSYLVANIA	Bell Atlantic	3.19%	3.91%	10.27%	0.38%	4.87%	11.08%
185030	C & P TEL CO OF MD	Bell Atlantic	4.18%	5.06%	12.14%	1.08%	7.88%	8.25%
195040	C & P TEL CO OF VA	Bell Atlantic	4.75%	6.60%	12.72%	3.00%	2.29%	12.95%
205050	C & P TEL CO OF WV	Bell Atlantic	2.88%	4.53%	12.49%	-0.85%	6.27%	2.77%
565010	DIAMOND STATE TEL	Bell Atlantic	4.98%	6.63%	11.46%	3.91%	3.16%	15.46%
575020	C & P TEL CO OF WASH	Bell Atlantic	2.53%	7.98%	9.68%	7.67%	5.00%	21.27%
215191	SOUTHERN BELL-FL	BellSouth Telecomm.	5.53%	4.44%	11.16%	-0.96%	3.70%	2.71%
225192	SOUTHERN BELL-GA	BellSouth Telecomm.	6.14%	5.90%	10.93%	2.07%	5.42%	14.86%
235193	SOUTHERN BELL-NC	BellSouth Telecomm.	5.87%	6.66%	12.59%	2.13%	5.79%	11.49%
245194	SOUTHERN BELL-SC	BellSouth Telecomm.	4.53%	5.14%	13.29%	-0.82%	4.06%	5.68%
255181	SO CENTRAL BELL-AL	BellSouth Telecomm.	2.87%	3.69%	9.16%	-1.11%	4.76%	2.62%
265182	SO CENTRAL BELL-KY	BellSouth Telecomm.	3.19%	4.30%	10.43%	-0.73%	4.88%	11.98%
275183	SO CENTRAL BELL-LA	BellSouth Telecomm.	3.49%	3.26%	9.63%	-2.98%	3.85%	9.07%
285184	SO CENTRAL BELL-MS	BellSouth Telecomm.	3.26%	3.56%	11.25%	-2.83%	2.97%	9.35%
295185	SO. CENTRAL BELL -TN	BellSouth Telecomm.	3.46%	5.02%	10.98%	0.53%	1.84%	14.59%
105111	NEW ENGLAND TEL-ME	NYNEX Svc Co	3.65%	3.62%	9.54%	-0.49%	-0.72%	16.01%
115112	NEW ENGLAND TEL-MA	NYNEX Svc Co	4.35%	4.24%	7.92%	3.03%	1.97%	12.50%
125113	NEW ENGLAND TEL-NH	NYNEX Svc Co	5.37%	3.98%	10.03%	0.57%	1.57%	19.39%
145115	NEW ENGLAND TEL-VT	NYNEX Svc Co	3.67%	3.43%	9.37%	-0.66%	-2.11%	26.04%
155130	NEW YORK TEL CO	NYNEX Svc Co	2.62%	3.53%	5.90%	2.76%	-0.88%	6.09%
585114	NEW ENGLAND TEL - RI	NYNEX Svc Co	3.93%	3.37%	8.72%	0.21%	1.59%	14.51%
545170	PACIFIC BELL	Pacific Telesis	3.57%	3.66%	7.85%	0.29%	4.90%	10.97%
555173	NEVADA BELL	Pacific Telesis	6.49%	6.92%	12.66%	4.99%	6.44%	-18.39%
135200	SOUTHERN NEW ENGLAND	Southwestern Bell	4.27%	2.78%	6.92%	1.13%	5.14%	-10.49%
405211	SOUTHWESTERN BELL-AR	Southwestern Bell	4.11%	4.35%	8.48%	2.16%	8.14%	8.34%
415214	SOUTHWESTERN BELL-KS	Southwestern Bell	4.37%	4.25%	10.40%	1.03%	13.81%	0.56%
425213	SOUTHWESTERN BELL-MO	Southwestern Bell	3.98%	3.63%	10.82%	0.40%	15.26%	-0.49%
435215	SOUTHWESTERN BELL-OK	Southwestern Bell	4.03%	3.11%	6.85%	0.03%	9.58%	1.82%
445216	SOUTHWESTERN BELL-TX	Southwestern Bell	5.88%	5.84%	8.27%	5.41%	12.49%	4.03%
355141	U S WEST, INC. - IA	U.S. West	2.44%	2.41%	9.85%	-3.61%	5.30%	14.46%
365142	U S WEST, INC. - MN	U.S. West	3.44%	3.34%	10.30%	-1.40%	2.34%	28.74%
375143	U S WEST, INC. - NE	U.S. West	1.80%	-0.70%	4.64%	-4.74%	7.64%	9.96%
385144	U S WEST, INC. - ND	U.S. West	-2.57%	-4.66%	0.54%	-8.70%	-5.63%	14.16%
395145	U S WEST, INC. - SD	U.S. West	-1.42%	-2.32%	4.04%	-7.07%	-2.30%	10.19%
455101	U S WEST, INC. - AZ	U.S. West	6.07%	5.92%	12.75%	2.70%	3.80%	16.53%
462187	EL PASO COUNTY TEL	U.S. West	14.52%	9.63%	9.62%	11.47%	12.56%	7.20%
465102	U S WEST, INC. - CO	U.S. West	4.51%	5.49%	12.84%	2.47%	6.16%	12.50%
475103	U S WEST, INC. - ID	U.S. West	4.25%	4.75%	15.87%	-1.61%	9.16%	13.72%
475162	U S WEST, INC. - ID	U.S. West	4.56%	3.82%	15.87%	-3.98%	9.42%	14.08%
485104	U S WEST, INC. - MT	U.S. West	3.15%	5.36%	14.89%	0.41%	6.92%	17.41%
495105	U S WEST, INC. - NM	U.S. West	3.31%	4.62%	11.45%	0.47%	7.81%	15.64%
505107	U S WEST, INC. - UT	U.S. West	5.85%	6.87%	9.77%	6.46%	13.85%	12.19%
515108	U S WEST, INC. - WY	U.S. West	2.45%	3.68%	9.64%	0.85%	-0.61%	3971.00%
525161	U S WEST, INC. - WA	U.S. West	3.88%	3.90%	11.78%	-0.58%	8.17%	0.77%
532456	MALHEUR HOME TEL CO	U.S. West	3.33%	4.35%	14.29%	-0.56%	4.29%	6.05%
535163	U S WEST, INC. - OR	U.S. West	4.04%	4.59%	11.33%	0.88%	4.75%	17.05%
SUMMARY SUBSET 1			4.05%	4.34%	9.48%	1.03%	4.43%	10.67%
170169	GTE NORTH INC. - PA	GTE Corporation	3.35%	3.75%	8.25%	-0.93%	5.86%	-8.28%
170170	CONTEL PA DBA GTE PA	GTE Corporation	4.08%	3.58%	5.74%	2.88%	6.53%	-4.69%
170201	GTE NORTH, INC. - PA	GTE Corporation	4.32%	3.02%	8.51%	-1.56%	3.71%	-0.83%
190233	CONTEL VA DBA GTE VA	GTE Corporation	6.43%	5.22%	14.12%	1.27%	11.95%	12.74%
190479	GTE SOUTH INC. - VA	GTE Corporation	2.88%	2.66%	19.31%	-8.93%	2.93%	33.44%
210328	GTE FLORIDA INC.	GTE Corporation	5.05%	5.82%	17.80%	0.93%	4.68%	1.86%
230479	GTE SOUTH INC - NC	GTE Corporation	7.10%	6.42%	15.98%	2.91%	10.80%	24.57%
230509	CONTEL NC DBA GTE NC	GTE Corporation	5.79%	5.91%	12.22%	4.68%	13.28%	-21.98%
240479	GTE SOUTH INC. - SC	GTE Corporation	5.24%	4.06%	15.81%	-0.83%	5.18%	1.79%
240526	CONTEL-SC DBA GTE SC	GTE Corporation	8.11%	6.64%	14.26%	1.37%	16.11%	50.34%
250281	CONTEL AL DBA GTE AL	GTE Corporation	4.59%	5.19%	13.76%	3.63%	9.59%	14.33%
250293	GTE SOUTH INC. - AL	GTE Corporation	3.81%	3.37%	14.71%	-1.03%	2.99%	11.77%
260407	GTE SOUTH INC. - KY	GTE Corporation	4.25%	3.38%	10.69%	0.03%	3.13%	2.69%
260410	CONTEL KY DBA GTE KY	GTE Corporation	4.26%	4.38%	12.18%	-0.49%	6.49%	52.58%

SAR_ID	SAR_ABBR	CC NAME	USFLOOPS	TPIS	DEPR	NET PLANT	DEP EXP	OPER TAX
300615	GTE NORTH INC. - OH	GTE Corporation	4.70%	4.67%	7.21%	2.28%	4.31%	-8.37%
310695	GTE NORTH INC. - MI	GTE Corporation	3.93%	2.45%	5.68%	-0.30%	2.97%	-0.27%
313033	CONTEL-SOUTH DBA GTE	GTE Corporation	3.92%	3.69%	7.00%	2.27%	6.04%	20.53%
320772	GTE NORTH INC. - IN	GTE Corporation	4.15%	4.33%	7.69%	1.24%	3.47%	17.34%
320779	CONTEL-IN DBA GTE IN	GTE Corporation	4.06%	3.54%	6.56%	0.20%	5.48%	-7.48%
323034	CONTEL SOUTH-GTE IN	GTE Corporation	3.78%	4.48%	5.39%	4.12%	7.81%	10.68%
330886	GTE NORTH INC. - WI	GTE Corporation	4.32%	5.02%	9.04%	0.98%	6.85%	-1.30%
341015	GTE NORTH INC. - IL	GTE Corporation	3.47%	2.61%	4.47%	-1.06%	1.37%	0.09%
341036	CONTEL IL DBA GTE IL	GTE Corporation	3.74%	2.93%	7.04%	-2.52%	3.70%	-0.35%
343035	GTE SOUTH-IL	GTE Corporation	2.77%	3.14%	3.46%	3.77%	5.05%	-4.07%
351186	GTE NORTH INC. - IA	GTE Corporation	3.19%	5.06%	8.69%	2.22%	4.73%	-4.74%
351207	CONTEL IA DBA GTE IA	GTE Corporation	3.97%	1.78%	3.16%	-1.92%	3.00%	16.50%
351790	CONTEL KS DBA GTE IA	GTE Corporation	2.82%	4.42%	7.80%	-1.22%	2.93%	21.99%
361140	CONTEL MN DBA GTE MN	GTE Corporation	4.26%	4.14%	5.70%	2.03%	7.44%	6.55%
361186	GTE NORTH INC. - MN	GTE Corporation	1.79%	3.21%	5.26%	10.84%	10.17%	-58.30%
371186	GTE NORTH INC. - NE	GTE Corporation	3.99%	3.82%	9.43%	-1.63%	7.52%	58.68%
401730	CONTEL AR DBA GTE AR	GTE Corporation	6.15%	9.78%	11.74%	8.75%	9.09%	-15.52%
401790	CONTEL KS DBA GTE AR	GTE Corporation	3.45%	13.72%	5.42%	19.13%	15.58%	-114.22%
402080	GTE SOUTHWEST INC-AR	GTE Corporation	2.78%	6.48%	12.33%	0.47%	5.53%	5.99%
421186	GTE NORTH INC. - MO	GTE Corporation	4.06%	7.26%	9.10%	8.54%	6.89%	32.14%
421789	KS ST DBA GTE E. MO	GTE Corporation	-10.04%	-4.34%	-9.84%	3.85%	-6.01%	-15.76%
421846	CONT MO DBA GTE MO	GTE Corporation	4.25%	4.85%	13.79%	0.46%	2.63%	3.66%
421922	CONTEL MO DBA GTE MO	GTE Corporation	6.87%	8.41%	10.81%	7.74%	8.16%	4.45%
432080	GTE SOUTHWEST INC-OK	GTE Corporation	5.68%	5.17%	8.95%	2.32%	0.38%	-0.79%
442080	GTE SOUTHWEST INC-TX	GTE Corporation	8.41%	5.71%	13.98%	2.14%	8.07%	9.13%
442154	CONTEL TX DBA GTE TX	GTE Corporation	3.35%	5.28%	9.91%	3.76%	11.81%	-19.60%
452302	CONTEL CALIF - AZ	GTE Corporation	4.20%	3.76%	5.32%	1.56%	4.37%	-0.15%
472416	GTE NORTHWEST INC-ID	GTE Corporation	5.61%	4.79%	14.88%	-1.01%	5.63%	9.20%
492080	GTE SOUTHWEST INC-NM	GTE Corporation	3.52%	2.34%	4.54%	-2.63%	0.18%	10.84%
492177	CON. WEST DBA GTE NM	GTE Corporation	5.05%	4.35%	7.16%	1.84%	-3.04%	-7.24%
522416	GTE NORTHWEST INC-WA	GTE Corporation	5.44%	4.96%	12.41%	-0.10%	1.40%	37.68%
522449	CONTEL NW DBA GTE-WA	GTE Corporation	6.94%	4.59%	14.11%	-2.16%	12.62%	10.46%
532416	GTE NORTHWEST INC-OR	GTE Corporation	5.76%	5.29%	12.18%	1.03%	6.16%	10.38%
542302	CONTEL OF CALIFORNIA	GTE Corporation	3.00%	3.57%	10.67%	-1.52%	5.02%	-19.60%
542319	GTC OF CALIFORNIA	GTE Corporation	3.77%	2.68%	11.33%	-5.50%	6.08%	-2.76%
542344	WEST COAST TEL OF CA	GTE Corporation	1.66%	1.80%	9.70%	-2.47%	0.29%	-132.02%
552302	CONTEL OF CALIF-NV	GTE Corporation	6.80%	9.88%	8.03%	10.79%	10.85%	32.71%
613009	GTE ALASKA INC.	GTE Corporation	9.40%	6.34%	2.36%	8.21%	7.69%	38.07%
623100	GTE HAWAIIAN TEL. CO	GTE Corporation	2.82%	1.03%	4.80%	-2.93%	6.48%	-7.26%
653700	MICRONESIAN TELECOMM	GTE Corporation	10.03%	5.28%	17.42%	0.88%	-6.36%	26.92%
160138	UNITED TEL - NJ, INC	United Telephone Sys	6.63%	4.99%	8.67%	1.48%	3.53%	7.04%
170209	UTC OF PENNSYLVANIA	United Telephone Sys	3.78%	6.00%	11.74%	2.00%	12.20%	3.55%
190254	CENTEL OF VIRGINIA	United Telephone Sys	4.82%	5.60%	7.40%	5.27%	7.35%	21.99%
190567	UNITED INTER-MT-VA	United Telephone Sys	4.17%	3.20%	8.82%	-2.32%	6.12%	6.12%
210341	SPRINT-FLORIDA, INC.	United Telephone Sys	13.97%	13.70%	19.79%	9.35%	14.68%	12.87%
230470	CAROLINA TEL & TEL	United Telephone Sys	5.98%	6.70%	16.06%	-0.75%	8.06%	-5.20%
230471	CENTEL OF NC	United Telephone Sys	5.08%	6.11%	9.63%	5.54%	17.54%	11.87%
240506	UTC OF THE CAROLINAS	United Telephone Sys	6.41%	5.69%	12.41%	-0.99%	5.62%	18.73%
290567	UNITED INTER-MT-TN	United Telephone Sys	5.45%	6.55%	10.94%	2.87%	8.39%	15.53%
300661	UTC OF OHIO	United Telephone Sys	4.13%	5.94%	9.14%	1.36%	4.11%	7.59%
320832	UTC OF INDIANA	United Telephone Sys	3.42%	4.61%	9.40%	-2.11%	4.76%	19.51%
361456	UTC OF MINNESOTA	United Telephone Sys	5.24%	8.02%	12.96%	3.26%	6.80%	18.36%
371595	UTC OF THE WEST-NE	United Telephone Sys	2.18%	10.00%	9.09%	12.02%	7.00%	13.36%
411317	UNITED OF EASTERN KS	United Telephone Sys	2.13%	6.13%	5.14%	7.95%	9.25%	-0.56%
411842	UTC OF KANSAS	United Telephone Sys	0.56%	8.04%	7.50%	6.74%	17.37%	-5.22%
411957	UTC-MO DBA UTC-SE KS	United Telephone Sys	2.16%	8.14%	8.93%	7.21%	10.27%	-3.68%
421957	UTC OF MISSOURI	United Telephone Sys	4.32%	8.14%	8.08%	7.94%	6.67%	8.57%
442084	UTC OF TEXAS INC	United Telephone Sys	5.09%	6.75%	12.61%	1.82%	6.77%	0.25%
442114	CENTEL OF TEXAS	United Telephone Sys	6.69%	8.47%	12.16%	6.51%	10.06%	37.05%
511595	UTC OF THE WEST-WY	United Telephone Sys	2.27%	6.56%	9.44%	4.11%	8.07%	14.21%
522400	UTC OF THE NW-WA	United Telephone Sys	5.56%	7.32%	8.84%	8.28%	6.03%	4.85%
532400	UTC OF THE NW - OR	United Telephone Sys	4.93%	6.17%	13.95%	1.51%	7.23%	4.17%
552348	CENTEL OF NV	United Telephone Sys	9.21%	15.44%	17.71%	16.50%	23.80%	-3.26%
SUMMARY SUBSET 2 (GTE & UNITED)			5.38%	5.16%	11.35%	0.71%	6.56%	2.27%
			4.26%	4.49%	9.80%	0.97%	4.81%	9.04%
SUMMARY ALL PRICECAP								